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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 000366

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SUBJECT: SULAIMANIYAH PROVINCIAL OFFICIALS DISCUSS FUEL

PRICE SUPPORTS, TERRORISM, SMUGGLING

REF: BAGHDAD 161

Classified By: Regional Coordinator James Yellin for reasons 1.4 (b) and (d).

- $\underline{\mathbb{1}}1$ . (U) This is an Iraqi Kurdistan Regional Reconstruction Team (RRT) cable.
- 12. (C) SUMMARY: In a January 7 meeting between Regional Coordinator and Sulaimaniyah provincial officials, Sulaimaniyah Deputy Governor Jutiar Noori Abdulla said that the provincial government plans to end fuel-price supports by February 1. Abdulla said that a severe fuel shortage in the province should be addressed by building a refinery and storage facilities in the Kurdistan Region, and by securing a pipeline between Sulaimaniyah and the oil fields of Tikrit and Kirkuk. The meeting included Deputy Governor Jutiar Noori Abdulla, Director General for Health Sherko Abdulla Rashid, Director of Security Brigadier Sarkawt Hassan Jalal, Assistant to the Provincial Council Chair Kawa Abdulla, Head of Traffic Faraidun Omar, and Chief of Police Rizgar Ali Aziz.
- 13. (C) Abdulla also told RRToffs that after the execution of Saddam Hussein, residents of Halabja want Ali Hassan al-Majid (Chemical Ali) to be tried in their district. He said that cells of the terrorist organization Ansar al-Sunna are present in Sulaimaniyah, as well as up to 11,000 families of internally displaced persons from the south of Iraq, but that neither poses a security threat.
- 14. (C) In the same meeting, Sulaimaniyah Province Director of Security Brigadier Sarkawt Hassan Jalal told RRToffs that efforts to stem the flow of insurgents, drugs, and weapons across the border with Iran are hampered by lack of training and resources for security forces. Jalal also denied allegations that prisoners had been held in Sulaimaniyah prisons without charges or trials. In addition, Director General for Health Sherko Abdulla Rashid said the public healthcare system in the province needed a fee-for-service system to cover costs. END SUMMARY.

Fuel Price Supports to End but Shortage Continues

- 15. (C) Deputy Governor Abdulla said that as of February 1, the Sulaimaniyah provincial government would end fuel subsidies, allowing imported fuels to be sold at market prices for the first time. Private firms selling imported fuel in the province will be required to comply with fuel quality and storage regulations. However, they will not be faced with taxes or import duties. (Note: Fuel supplied from the Beiji-Tikrit line will remain at controlled, subsidized prices.)
- 16. (C) Abdulla said that petroleum fuels in Sulaimaniyah are used primarily for powering generators, the chief source of electricity in the province. Because of increased

urbanization and higher standards of living, he explained, demand for electricity in Sulaimaniyah had risen from 85 megawatts to 500 megawatts per day. In addition, water levels at Lake Dokan, a major source of hydropower for the region, have been low, and Sulaimaniyah is forced to share its electricity with Erbil, a province that does not generate any of its own electricity. To address an eight-year fuel and electricity shortage, Abdulla said the province is in desperate need of a large refinery located in the Kurdistan Region, (he noted that most refineries in Iraq are in Sunni controlled areas and run by Baathists), strategic storage tanks, and secure means to transfer oil from Tikrit and Kirkuk to Sulaimaniyah.

17. (C) Regional Coordinator said that private investors need a transparent and fair legal and regulatory environment in which to operate. Abdulla agreed, saying that the Kurdistan region would first need to decentralize, and then privatize its energy sector. He added that the Governor of Sulaimaniyah had traveled to Iran as part of a delegation to buy an additional 20 tankers of fuel from various sources that transit through Iran.

Halabja Residents Await Trial of Chemical Ali

18. (C) Abdulla commented that the people of Sulaimaniyah were very pleased with the execution of Saddam Hussain, although he said the residents of Halabja, the site of chemical weapons attacks by Saddam in 1987 and 1998, would have preferred that the execution take place after completion of the Anfal trials. He said they are now calling for the trial of Ali Hassan al-Majid (Chemical Ali) to be conducted in

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their district.

Ansar al-Sunna in Sulaimaniyah but No Security Threat

19. (C) Abdulla said that clandestine cells of the terrorist organization Ansar al-Sunna are present in Sulaimaniyah Province. (Note: In a meeting on January 11, Iraqi President Jalal Talabani claimed that Ansar al-Sunna is not present in Sulaimaniyah. See reftel.) He remarked that the location of the terrorist cells is unknown, but that they do not pose a security threat in Sulaimaniyah. He said the local population is in close contact with Asayish (Kurdish security forces) and reports any potential security problems. Director of Security Brigadier Sarkawt Hassan Jalal emphasized that in 2004, Asayish forced out most of the Ansar al-Sunna members residing in the Halabja district, and they migrated across the border into Iran.

Weak Security Makes Border Permeable to Smuggling

- 10. (C) Director of Security Brigadier Sarkawt Hassan Jalal said border security was hampered by the lack of qualified personnel to man checkpoints between Sulaimaniyah and Iran, resources to track movement across the border, support and intelligence coordination with security forces in Baghdad, and communication with Iranian police. The result, he said, was that the border is permeable to drugs, arms, and insurgents who move south to Baghdad.
- ¶11. (C) Chief of Police Rizgar Ali Aziz noted that challenges in recruiting and training qualified police officers had become a concern among provincial officials who want to keep crime rates low. The police force, he said, is in need of police stations, vehicles, and equipment, and could not provide a competitive salary sufficient for recruiting and retaining talented officers. He commented that training

assistance is not forthcoming from Baghdad: Sulaimaniyah officers are rarely included in GOI training courses.

Security Head Says Allegations of Unlawful Detention Untrue

112. (C) Regional Coordinator emphasized the need for the humane treatment of prisoners and for due-process protections. Citing a December 26 New York Times article reporting unlawful detention of suspected insurgents in a Sulaimaniyah prison, Regional Coordinator asked Jalal if prisoners in Sulaimaniyah were being held in accordance with proper judicial procedures. Jalal replied that the article was not accurate and that prisoners in Sulaimaniyah are not held without proper charges. During trials and before sentencing, he said, suspects are held in police detention. After sentencing, convicts are turned over to the KRG Ministry of Justice prison system to serve their sentence.

Internally Displaced Persons Pose No Security Threat

113. (C) Deputy Governor Abdulla told us that internally displaced Kurds and Arabs who have relocated in the Kurdistan Region from south of the Green Line do not pose a security risk at this time. He said the number of returned Kurds now in the Kurdistan Region totals 5,000 to 8,000 families. He added there are an additional 2,000 to 3,000 Arab families who have relocated to the Kurdistan Region.

Public Healthcare Suffers From Lack of Fee-for-Service

114. (C) Director General for Health Sherko Abdulla Rashid told us that there was a two-tiered healthcare system in Sulaimaniyah--a private system in which availability of medicines and standards of care are much higher, and a public system that suffers from shortages, a lack of facilities, and poorly paid staff. Rashid explained that because public healthcare is free in the province public hospitals and clinics cannot cover costs. In addition, the province receives less than one percent of the equipment and medicine it is due from the Iraq central government Ministry of Health. Fuel shortages exacerbate the problem.

Provincial Council Invested in Reconstruction

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115. (C) Kawa Abdulla, Assistant to the Chair of the Sulaimaniyah Provincial Council, briefed RRToffs on the Provincial Council (PC) procedures and reconstruction activities. Kawa Abdulla said the PC members were chosen in a general election and include members from both of the Kurdistan Region major political parties—the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK). The PC, he said, elected the Governor and Deputy Governor and formed 14 special project committees to address development needs. The committees include members from the KDP and PUK as well as two Islamic parties. According to Kawa Abdulla, in 2006 the PC spent 53 million dollars on reconstruction projects. Kawa Abdulla clarified that once PC projects are approved by the Governor, they are sent to the PC Committee of Engineers for tendering and supervision. KHALILZAD